

the provision of the Senate amendment not included in the House amendment that provides immediate payments to taxpayers receiving an additional credit by reason of the bill in the same manner as other taxpayers were entitled to immediate payments under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Two, the House conferees shall be instructed to include in the conference report the provision of the Senate amendment, not included in the House amendment, that provides families of military personnel serving in Iraq, Afghanistan and other combat zones a child credit based on the earnings of the individuals serving in the combat zone.

Three, the House conferees shall be instructed to include in the conference report all of the other provisions of the Senate amendment and shall not report back a conference report that includes additional tax benefits not offset by other provisions.

Four, to the maximum extent possible within the scope of conference, the House conferees shall be instructed to include in the conference report other tax benefits for military personnel and the families of the astronauts who died in the Columbia disaster.

Five, the House conferees shall, as soon as practicable after the adoption of this motion, meet in open session with the Senate conferees and the House conferees shall file a conference report consistent with the preceding provisions of this instruction, not later than the second legislative day after adoption of this motion.

The SPEAKER pro tempore. The gentleman's notice will appear in the RECORD.

MOTION TO INSTRUCT CONFEREES ON H.R. 1308, TAX RELIEF, SIMPLIFICATION, AND EQUITY ACT OF 2003

Mr. ROSS. Mr. Speaker, I offer a privileged motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. Ross moves that the managers on the part of the House in the conference on the disagreeing votes of the two Houses on the House amendment to the Senate amendment to H.R. 1308 be instructed as follows:

Number one, the House conferees shall be instructed to include in the conference report the provision of the Senate amendment not included in the House amendment that provides immediate payments to taxpayers receiving an additional credit by reason of the bill in the same manner as other taxpayers were entitled to immediate payments under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Number two, the House conferees shall be instructed to include in the conference report the provision of the Senate amendment (not included in the House amendment) that provides families of military personnel serving in Iraq, Afghanistan, and other combat zones a child credit based on the earnings of the individual serving in the combat zone.

Number three, the House conferees shall be instructed to include in the conference report all of the other provisions of the Senate amendment and shall not report back a conference report that includes additional tax benefits not offset by other provisions.

Number four, to the maximum extent possible within the scope of the conference, the House conferees shall be instructed to include in the conference report other tax benefits for military personnel and the families

of the astronauts who died in the Columbia disaster.

Finally, number five, the House conferees shall, as soon as practicable, after the adoption of this motion, meet in open session with the Senate conferees, and the House conferees shall file a conference report consistent with the preceding provisions of this instruction not later than the second legislative day after adoption of this motion.

The SPEAKER pro tempore. Under clause 7(b) of rule XXII, the gentleman from Arkansas (Mr. ROSS) and a Member of the opposite party, in this case the gentleman from Arizona (Mr. HAYWORTH), each will control 30 minutes.

The gentleman from Arkansas (Mr. ROSS) is recognized.

Mr. ROSS. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, tonight I am offering a motion to instruct conferees on the child tax credit. As Congress considered H.R. 2, the Jobs and Growth Tax Reconciliation Act, at a cost of more than \$300 billion, one important provision was omitted that affects a majority of the hardworking families in my home State of Arkansas, as well as working families across our Nation.

The increase of a child tax credit that could be refundable to include low- to moderate-income families who earn between \$10,500 a year and \$26,625 a year was dropped from the conference agreement. Wage earners in this group include our men and women in the military, police officers, firefighters, and even our school teachers. Expanding the child tax credit to include the families of these people made up only 1 percent, let me repeat that, made up only 1 percent of the total cost of the tax cut package; but the impact of this omission on the millions of working families who need this relief is immeasurable.

I am very proud of our senior Senator from Arkansas, BLANCHE LINCOLN, who led the effort in the United States Senate to correct this wrong, to right this wrong; and the Senate did so in a bipartisan way. The vote in the Senate was 94 to 2. Let me repeat that: in the Senate it was a bipartisan vote, 94 to 2.

Mr. Speaker, it is simply wrong. It is wrong to enact a tax cut in the name of economic relief and not give that relief to those who are trying to do the right thing and stay off welfare and work jobs with few or no benefits, struggling day in and day out to make ends meet and provide for their children and their families.

At the end of this week, some 25 million checks will be printed and put in the mail. Soon, the 25 million families who qualify under the new tax cut law will begin to receive those checks for child tax credits aimed at providing them with economic relief. This means that a mother of two who earns \$65,000 a year will soon find an extra \$800 in her mailbox. Meanwhile, a mother of two who earns up to \$26,625 will get absolutely nothing, not one dime.

We had to explain today to a single mother from my congressional district

back home, Arkansas' Fourth Congressional District, who earns \$16,000 a year, she was under the impression that she would be getting the child tax credit. After all she works for a living; she pays taxes and wanted our office to settle an argument with a friend who insisted that she did not qualify. Even though she is trying to do the right thing and stay off welfare, her friend told her she does not make enough money to get money back in terms of a child tax credit.

We had to tell her that she lost that argument; and because House Republicans, this Republican national leadership has yet to act on a bipartisan, Senate-passed provision, I repeat again on a 94 to 2 vote in the United States Senate, a bipartisan vote, because the House has refused to act on the Senate version, she will be left out in the cold.

Mr. Speaker, if we act now, we can include some 6.5 million working families who need this help the most.

This motion to instruct does a few simple things. It tells the conferees to agree to the Senate language, the bipartisan language that passed the Senate 94 to 2. It tells the conferees to let this language provide for tax credit checks to be mailed immediately to low-income family, those earning up to \$26,625 a year. It provides that the tax credit be extended to personnel in combat zones in Iraq, Afghanistan and elsewhere around the globe. It provides assistance for the families of those who died in the tragic Columbia shuttle disaster, and yes, it ensures that this minimal cost is fully offset. In other words, we are not adding to the national deficit through this motion to instruct.

□ 2230

The conferees could easily accomplish these changes and bring us a final bill within 2 days, which is what this motion calls for.

For those who argue that a tax cut should not be provided for those who do not pay taxes, I am here tonight to say that that dog won't hunt. We are not talking about a tax credit for welfare recipients. We are talking about a tax cut for working families. There are hard-working people in our own offices who fall in this income level. Check out their next pay stub and tell me that they do not pay taxes.

Working individuals who pay a significant part of their income in taxes, including Social Security and Medicare taxes and gas taxes and sales taxes and property taxes, taxes which are never cut, should be entitled to share in the benefits of a tax cut, particularly since it is their Social Security Trust Fund, their children's Social Security Trust Fund, and their grandchildren's Social Security Trust Fund that is being raided to pay for this tax cut for the wealthy.

It is only fair that tax cuts benefit all Americans who contribute. Let us right the wrong and make sure that those 76,000 working families in my

State, and the 6.5 million working families across our country, the families of our firefighters, our policemen, our schoolteachers, and even families with loved ones fighting in Iraq and Afghanistan will be included in this effort to provide economic relief. Let us provide it to those who need it the most. Let us provide it to those who will actually spend the refund on items their families need, and in doing so will help get this economy moving forward once again. Let us provide it to America's working families because it is the right thing to do.

Mr. Speaker, I reserve the balance of my time.

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume. I rise in opposition to the motion to instruct, and I thank my friend from Arkansas and others who will enjoy this debate this evening, Mr. Speaker, because it gives us a marvelous opportunity to carefully review all the facts.

It was the second President of the United States, Mr. Speaker, John Adams, who first observed that facts are stubborn things, and perhaps the stirring presentation from my friend from Arkansas is most compelling for what he omitted from his motion to instruct. Mr. Speaker, it is my sad duty to inform this House that the Democrat motion to instruct allows the child credit to drop from \$1,000 to \$700 after the 2004 election.

Let me repeat that because it is very important that all who join us in this debate, in this presentation tonight, Mr. Speaker, understand clearly what would transpire. The Democrat motion to instruct allows the child credit to drop from \$1,000 to \$700 after the 2004 election. Now, Mr. Speaker, in the world of commerce, that is known as bait and switch. And as a result, millions of the people who my friend professes to champion, millions of low- and middle-income families, will receive a smaller child tax credit right after the elections.

The House-passed bill, and let us point this out too, Mr. Speaker, because my friend also omitted something that just was passed by this House, H.R. 1308, the All American Tax Relief Act of 2003, our more comprehensive bill, which was not a part of my friend's presentation, passed by this House, ensures that the child credit remains at \$1,000 throughout the decade.

Mr. Speaker, there is more, and I will be happy to delineate it, but let me pause, because my friend mentioned the needs of one of his constituents in the Fourth Congressional District of Arkansas. Mr. Speaker, I would hope that for all our low-income constituents who call about this, that we would inform them of four letters, EITC, Earned Income Tax Credits. That exists for people just like the constituent that was mentioned, which opens up economic prosperity and opportunity for those who do not pay a high level of taxes.

And again, understand, so expansive has been our move to reduce taxation on the American people, Mr. Speaker, that I am able to report that a family of four earning close to \$40,000 a year now would pay no income taxes. And you see, really, this is the issue, Mr. Speaker. Those of us in the common sense majority say if you pay income taxes, those taxes should be reduced. Our friends on the other side say if you pay any taxes, then income taxes should be reduced.

There is a certain amount of illogic to that, speaking of dogs that will not hunt, Mr. Speaker, but let us take it a step further. What we have done in this House, through adoption of H.R. 1308, is to expand the credit to the very folks they claim to champion, to maintain that credit across the board throughout the decade. And we have gone a step further. In stark contrast to the shop-worn sloganeering of tax cuts for the rich, we have discovered something in America, and let me point to my own city of Phoenix, Arizona.

I represent the Awatukee portion of greater Phoenix. There lives a nurse practitioner making \$64,000 a year, and her husband, a school principal, making \$64,000 a year; both of them earning that salary. We have expanded the child tax credit, because we do not believe you should put a tax credit on children that rolls back and forth like the old-fashioned slide rule to penalize two-income families who happen to succeed. So let us then accept the premise that if we are not going to punish children at the lower end of the economic scale, certainly we should not punish families who have two-income earners. And sixty-four times two is about \$128,000 in today's world, Mr. Speaker, and I would submit that that is not wealthy.

Something else that is important that I would bring to the attention of the House, Mr. Speaker. The Democratic motion to instruct does not eliminate the marriage penalty in the child credit until 2010, and even then it only does so for 1 year. Under the motion to instruct, millions of children will be denied the child credit simply because their parents are married. What we passed in the House benefits middle income families by eliminating this type of abridgement immediately.

The House-passed bill, which a common sense majority moved through this House, does not deny the child credit to military families. Military families, including those who are deployed abroad, are already receiving a refundable child credit and will continue to receive a refundable child credit under the House-passed bill. The Democrat motion to commit would only increase the refundable child credit for some military families by allowing them to take into account tax-free income when they compute their refundable credit.

And the House-passed bill, which moved through, again, with a bipartisan majority, provides more tax re-

lief to military families because it includes \$806 million of military tax benefits. We should point out that those provisions have passed the House on numerous occasions. They are awaiting action in the other body. Indeed, Mr. Speaker, while we tend to our affairs here, and I will not characterize what might transpire across this Capitol, I will simply say that a more comprehensive approach, as endorsed by this House, makes more sense for the American people.

I look forward to the other arguments, but, Mr. Speaker, I would have to say that as I hear the litany from the left, it reminds me of that country song, "That's my story and I'm sticking to it."

Mr. Speaker, again, facts are stubborn things. Reject the motion to instruct.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSS. Mr. Speaker, I yield myself such time as I may consume to respond to the gentleman from Arizona.

All the things he was criticizing H.R. 2 does. In fact, he voted for it and the President signed it. So I am at a loss as to what he was talking about, although I think it is important that I point out to the gentleman from Arizona that back home, in Prescott, Arkansas, just outside of town, off the kill road at my deer camp, we have a saying: "Don't let the facts get in the way of a good story." But we are not at the deer camp tonight, we are in the United States House of Representatives, and we are talking about the future of 6.5 million working families.

I will tell my colleague that he is right about one thing. I did fail to mention one thing in my opening statement, and that was that this motion to instruct will help 123,000 families who do not get the child tax credit in the gentleman's home State; 19 percent of the working families in his home State.

Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, I thank the honorable gentleman from Arkansas for yielding me this time, and I stand to support the motion to instruct.

I must admit that I am really amazed at my good friend on the Republican side. It amazes me to see how he speaks out of not only both sides of his mouth but apparently out of the back of his head as well. If we remember very carefully what he said about the military, the point that he failed to mention was that combat pay is exempt and falls below the threshold level, so that those soldiers serving in Iraq are not covered.

With the Democratic plan, what we are pushing would include those soldiers and their children. And quite honestly, it brings tears to my eyes, Mr. Speaker, when I think of us sending our troops into harm's way and to come with this tax credit and not have them included. The gentleman knew that. He said purposefully the military,

but he did not say combat soldiers, because they are exempt from taxes. We know that.

Now, Mr. Speaker, let us deal with the facts as they should be. First of all, why are we here? We are not here because of the Democrats. If it were up to us and the Senate and the President of the United States, the bill would be passed and these 6.5 million families would be getting that check in the mail right now. We are here because of the Republicans in this House that insisted on killing the child tax credit by holding it hostage with an \$82 billion irresponsible tax cut.

And I can say irresponsible tax cut with great credibility because I was one of only seven Democrats who voted for the original tax cut. And I voted for it because my constituents in Georgia wanted me to vote for it and because we were able to get \$567 million in aid to my State. And, yes, it brought stresses to the deficit. But they want to take another \$82 billion tax cut, knowing the Senate is not going to accept it; that the President of the United States already said he does not want it. He came out with a report just 2 weeks ago that we are already \$500 billion into deficit now without even impacting this tax cut that we have. Irresponsible.

We are here because of my good friend from Arizona and the leadership. Now, I have been here just 6 months. I am new, and I am just a country guy from the south, from Georgia, but I have learned a couple of things since I have been here in 6 months. I have learned that the House leadership runs the ship here. And that is why we Democrats are often in the position of trying to correct the course of the ship when it gets off course from what the American people want.

Now, why are we here? We are here because the Republicans cut out, in the dark of night, this child tax credit. It was there. Many who voted for this tax cut assumed it was there. The American people assumed that this child tax credit was there for everybody.

□ 2245

One of the things about the American people is this: the American people root for the underdog. They always want us to stand up for the little fellow. Why should we not give this tax credit to low- and moderate-income people? And who are these low- and moderate-income people? Who are these 6.5 million families? They are families making between \$10,500 to \$26,000 per year, a sizable number of people, who have children, who deserve this tax credit.

And they want to say, well, they do not make enough to qualify. My goodness, they make enough. \$10,500 to \$26,000 a year in some cases is a decent salary. Twenty-three percent of the families in my State make this and 23 percent of the families in my State do not have this child tax credit. Twenty percent of those from 13 States do not have this credit.

Mr. Speaker, let us be right. Let us be fair. These folks deserve a tax credit. It is the American way. I want to thank my honorable friend from Arkansas for giving me that opportunity to speak. I just urge my good friend, and we have several good friends in the Republican Party that I have worked with, to put pressure on our leadership and let us do right by the low- and moderate-income people and include this child tax credit and get it to them immediately.

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume.

I thank my friend from Georgia for offering the hand of friendship, as he characterizes it, across the aisle. I thought it was interesting that some of his remarks seemed to be insult-laden, but that is his prerogative coming to this floor. I think the American people deserve better. And I would point out to my friends on the left that again the dispute is not about tax relief. It seems that they are almost of two minds. On one hand, if tax relief is limited to some few tightly targeted, they seem to be fine with it. And, of course, we welcome the gentleman's support, Mr. Speaker, on the first tax bill and certainly appreciate that.

I am a little confused as to why he decided not to vote for even a more comprehensive child credit that we offered in H.R. 1308, but let me go back since he offered a specific criticism with reference to members of the Armed Forces. Let me again delineate what we passed. I made no such articulation nor claim about combat soldiers and, of course, Mr. Speaker, our men and women in uniform go into action without the designation Democrat nor Republican, they are Americans; and I made no assertion as to the relative status, the tax-exempt status of combat pay.

Let me, however, articulate for my friend, Mr. Speaker, and all those who join us in this debate tonight exactly what it is we have passed time and again in this House in terms of tax fairness for members of the Armed Forces included in these provisions: capital gains tax relief on home sales; tax-free death gratuity payments; tax-free dependent care assistance for members of the military. Again, I would remind my friends, Mr. Speaker, that these provisions provide \$806 million of tax relief to members of the Armed Forces over the upcoming 11 years.

Again, there is something that has been a glaring omission when we come to discussing tax rates for those who do not pay income taxes. Again, Mr. Speaker, I am haunted by the assertion of my friend who sponsors this motion to instruct who speaks of a mother in the Fourth Congressional District of Arkansas, if memory serves, I believe, earning around \$15,000 a year. According to the Tax Foundation, if she were a single mother with two children as the head of the household, she would

receive a refundable earned income tax credit of \$3,823. Her total check under earned income tax credits from Uncle Sam would be \$4,273. Tax refunds as a percent of her income upon which she pays no income tax would be 28.5 percent, and the percent of her payroll tax that would be erased through the earned income tax credit, 186 percent. Again, the compelling omission.

We have already reached out to those who do not pay income taxes. We do so again, but my friends on the left find fault that we have enlarged this to include two-earner households because again we do not believe you put a price tag on the heads of children, not only those facing tough times economically but, yes, those who both are working. They likewise, those families, should deserve the child tax credit. We have expanded it, made it constant; and in stark contrast to the Democratic alternative, it remains constant. It does not drop down after the election of 2004. Important points to keep in mind, country music sloganeering notwithstanding.

Vote "no" on this motion to instruct.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSS. Mr. Speaker, I yield myself such time as I may consume.

If I might quickly address the gentleman from Arizona's remarks, I do not understand what the problem is. Why is he arguing against this when the House has already passed this motion to instruct? The President says he likes it. In fact, the President's press secretary, White House Press Secretary Ari Fleischer, quote, he the President wants to sign this legislation. Hopes that Congress will get it to him quickly. He believes that what the Senate has done is the right thing to do, a good thing to do, and he wants to sign it. President Bush's press secretary from June 9, 1 month ago or so. And the GOP Senators like it, 94 to 2. It was a bipartisan vote.

To the other matter that he keeps bringing up, he tries to tell us that folks who earn \$26,625 a year do not pay income taxes. Yes, they pay income taxes; and yes, they pay sales taxes and property taxes and gas taxes and the list of taxes goes on. Please tell me one time when the gas tax, the sales tax, the property tax has been cut. We are talking about people that are trying to do the right thing and stay off welfare and work in the jobs with no benefits. If you earn \$80,000 a year and you have got three children at home, in about 2 weeks you are getting a check for \$1,200. If you earn \$26,000 a year and are a policeman, a fireman, a schoolteacher or serve in the United States military and you have got three children at home, guess what you are getting week after next? Zero. Not a dime. There is nothing fair about this. The President has said so and the Republicans in the Senate have said so. It is time for the Republican leadership in the House to step up to the plate, put partisanship aside, and do what is right by these 6.5 million working families.

Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. ALEXANDER), a member of the Democratic Blue Dog Coalition, a good conservative Democrat who I am proud to call my colleague.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Arkansas for yielding me this time.

Mr. Speaker, I would like to read just a portion of a letter that I sent out today to my constituents. It is entitled, "The Checks Are in the Mail, At Least for Some":

"That's what I was told today when I asked when people would start getting the \$400 checks created by the recent tax cut that I supported and helped pass in Congress. I asked because I know that these checks are an important part of the economic stimulus package that my colleagues and I created.

"However, while I am happy with the fact that many families will soon be receiving these checks, I am not totally satisfied. I am not satisfied because in the last-minute negotiations between the House and Senate, low-income families were left out of the tax bill.

"That is why we offer to extend the tax credit to families who are currently being left out. To make that goal simpler to achieve, I urged my colleagues to accept a nearly identical Senate bill which accomplishes the same thing. It passed the Senate with overwhelming bipartisan support. The President has urged its passage. Now it is time for the House to get on board and do the same.

"There is no excuse for inaction, no excuse to leave out one out of four families in Louisiana that are today looking at an empty mailbox wondering when their economic incentive check will arrive from Washington.

"Those in leadership who are blocking tax relief for these deserving families say they won't pass this measure unless they get an even larger tax cut for the wealthy. That is wrong.

"They say those working families do not deserve tax relief because they don't pay enough in taxes. But those hardworking taxpayers have money taken out of their paychecks, too, and they deserve the same tax relief as anyone else."

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do welcome my friend from Louisiana to this House and the 108th Congress. I look forward to working with him in a spirit of bipartisanship. I thank him for his first vote for tax relief and again would point out the four letters that my friends on the left just cannot bring themselves to mention tonight, EITC, earned income tax credit.

My friend from Arkansas either cited another example or gave a different total than I thought I initially heard about his constituent. Earning \$25,000 a year, let me review what that constituent, who is paying no income tax,

receives through the earned income tax credit according to the Tax Foundation. That person, that head of household with two kids earning \$25,000, the tax liability before the credit is \$885. After the child tax credit, the \$1,000 per child, there is no tax liability. The remaining refundable child tax credit, \$565. The refundable earned income tax credit, \$1,717. The total check from Uncle Sam to that person, the head of household with two kids earning \$25,000 under the earned income tax credit, is \$2,282. The percent of the payroll tax erased for that head of household is some 60 percent.

What we are saying, Mr. Speaker, is simply an acknowledgment that our friends who are not paying income tax are indeed working Americans, and I find it ironic tonight that the earned income tax credit has been avoided by my friends on the left as if it were a plague. Why would that be, Mr. Speaker? I welcome the chance to certainly champion this program for working Americans, and I certainly hope that in the many mailings my friends on the left send out, they might inform their low-income constituents of the programs that already exist that can avail them of thousands of dollars. The glowing and glaring omission tonight in this motion to instruct is that my friends on the left do not even champion a program they once stood four-square behind. They have instant amnesia. It is curious, but it is not unknown in politics.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSS. Mr. Speaker, I yield myself such time as I may consume.

If I could make just one quick point. The gentleman from Arizona likes to keep referring to his friends on the left. From where the Speaker stands tonight, we would actually be on the right.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. SANDLIN), a fellow Blue Dog, a good member of the Blue Dog Coalition and someone that I think will help us and hopefully help the gentleman from Arizona understand why he needs to support this as his President has asked, our President has asked, and as the Senate voted 94 to 2 in a bipartisan way to pass.

Mr. SANDLIN. Mr. Speaker, speaking from the center, it is an issue of priorities. We have to ask ourselves in this House, who do we stand for? Who do we stand for in this House?

Mr. Speaker, as we are well aware by now, last month the other body voted 94 to 2 to immediately give an increased child tax credit to the 12 million children of 6.5 million working families. They voted to do that immediately. The time is long overdue for the House to likewise pass the language included in the bill passed by the Senate. As the nearly unanimous vote in the other body indicates, this issue enjoys broad bipartisan support. Leave it to the House Republican leadership to turn a popular, bipartisan effort

benefiting children into an unnecessary, nasty battle. It is not difficult to figure out the priorities of the Republican Party. All you have to do is follow the money. The Republicans somehow managed to find room in their tax bill for people with an income over \$1 million.

Now, is that not special? Tax filers who make over \$1 million per year will receive an average tax cut in 2003 in that 1 year, an average tax cut of \$93,500 for the year.

□ 2300

We have plenty of money for the millionaires. At the same time, during conference committee negotiations between the House and Senate, House conferees intentionally and knowingly dropped child tax credit relief at the last minute, for working families who earn between \$10,500 and \$26,625 per year. They just cut them out, said they get nothing, zero, nada, zilch.

And what is funny about it is, they admitted it. Just listen to what Ari Fleischer said, the White House press secretary. He said "Everybody was aware in the conference of what was in and what was out; so that was very well known to all the conferees, including the White House." He told the truth. No wonder he is out of the White House. He is not over there anymore. They cannot take that kind of candor.

The chairman of the Committee on Ways and Means summarized the Republicans' attitude best when he said in response to a question regarding the passage of an accelerated increase, "There are worse things than its not happening."

Now this charming sentiment was echoed by the majority leader when he stated bluntly in regards to passage of the Senate child credit, "Ain't going to happen." Of course, this was entirely consistent with his previous opinions. Earlier he had said "There's a lot of things more important than that."

This week, on July 25, the Treasury Department will begin sending out millions of checks for the expanded child tax credit provided in the new law, just as the House adjourns. However, the 6.5 million hard-working families, including the children of the 200,000 military families currently serving in Iraq and other combat zones, will get no check or a significantly smaller check than would be provided under the Senate bill because of the opposition of the House Republicans.

Again, the Republican majority leader said, "There's a lot of things more important than that."

My question is, like what, Mr. Leader? Like what? What is more important than that? Like what? What is the answer? It is outrageous that the Republican leadership is determined to leave town until September without enacting tax relief for working families.

In 13 States 20 percent or more of families would be helped by expanding the child tax credit, as the other body has proposed. In my home State of

Texas, the bipartisan child credit bill passed by the other body would benefit 23 percent of working families in Texas.

Conversely, the Republican bill disproportionately penalizes the people who can afford it least, black and Hispanic children; 2.4 million black children, one in five, and 4.1 million Hispanic children, one in three, are penalized. Two hundred and sixty thousand children from families of active military will lose at least some of the credit under the Republican bill. The children of the folks fighting in Iraq will lose the benefits. That is outrageous. That is misplaced priorities, Mr. Speaker. That is just flat-out wrong.

Strengthening our Nation means investing in all of our children and making opportunities available to all people and especially to our working families in America. There are not many things more important than that, regardless of what the majority leader says.

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume.

I should note, Mr. Speaker, as you occupy the role of speaker pro tempore, you are a newcomer to the Congress from the great State of Arizona, and we welcome you as well; and I appreciate your presiding this evening.

I want to thank my friend from Texas, who in addition to being a very capable legislator, is a very accomplished attorney. And certainly we saw tonight part of his legislative domain because when one does not have the facts on his side, it is important to argue atmospherics. And we all heard about the genuine intent of the Republican Party and all of these interesting perceptions out there that I guess, from the school of politics, perceptions outweigh reality.

But then again, Mr. Speaker, it is my assertion that we owe the American people the facts. And the fact is, what this House passed is much more comprehensive, what our Democrat friends offer is much more restrictive.

We have heard no refutation of this fact, and it is as follows: The Democrat motion to instruct allows the child credit to drop from \$1,000 to \$700 immediately following the 2004 election. That is a curious alleged improvement in the bill. The Democrat motion to instruct does not eliminate the marriage penalty in the child credit until 2010, and even then it only does so for 1 year. We have heard no refutation of that.

The House-passed bill does not deny the child credit to military families, and indeed as I have delineated time and again, the House-passed bill provides more tax relief to military families because it includes \$806 million of military tax benefits.

What else have we done in H.R. 1308, the bill that is assailed as opportunities for the wealthy, as we hear that sad and shop-worn sloganeering of the politics of envy? What we have done in

this bill is, we increased the child credit to \$1,000 per eligible child through 2010. That provision alone provides \$57.3 billion of tax relief over 11 years.

We have eliminated the marriage penalty in the child credit. We accelerated the increase in the refundable child credit. We provide tax relief and enhanced tax fairness, as I delineated, for members of the Armed Forces. We suspend the tax exempt status of designated terrorist organizations, and we provided tax relief for the estates and the families of those brave astronauts who have perished on space missions. This is included therein.

And actually we expanded the child tax credit to include children across the board socioeconomically. We do not believe in attacking any children.

And again what we have not heard from my friends on the other side tonight, whether they stand in the center or to my left or to my far left, what we have not heard tonight are the letters EITC, earned income tax credit, something that ordinarily I thought my friends would champion, but tonight they do not talk about it. Why? Because we are sending money to those hard-working folks who do not pay income taxes, moneys that will already be supplemented under the far more generous and expansive child credit than we have offered in H.R. 1308.

So again, Mr. Speaker, failing the refutation of these salient points, whatever sloganeering about our friend Ari Fleischer, who at one point in time was our Committee on Ways and Means press secretary on the majority side, who is not here to speak for himself tonight, whatever incantations or imaginations as to the motives of the majority party, that is certainly very interesting in terms of interpretive oratory, but it brings nothing to bear on tonight's debate.

The fact remains when we review what they offer, it is inadequate. It is bait and switch. And it peddles the shop-worn sloganeering of the politics of envy, reason enough to reject this motion to instruct.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSS. Mr. Speaker, I yield myself such time as I may consume.

Might I just simply respond by saying this, that the gentleman from Arizona likes to talk about how while we want to provide a \$1,000 child tax credit for those who earn less than \$26,625 a year, he constantly reminds us that it falls back to \$700 in 2004. Guess why? Because that is exactly what your bill does that passed, H.R. 2. It falls back to \$700 in 2004, and we are here trying to help these working families who earn less than \$26,625 a year.

You are here fighting that. We know if we tried to extend it to do more than your bill does for all the wealthy folks, you would certainly fight it even more. So let us make sure that we do not confuse the facts here. We are simply trying to provide those who earn between \$10,500 and \$26,625, the same

playing field, the same parity, the same tax cut that will be received by those who earn over \$26,625 a year.

Mr. Speaker, I yield such time as he may consume to the gentleman from Utah (Mr. MATHESON), a fellow Blue Dog member, a good conservative Democrat, someone who is here to speak on behalf of the 62,000 working families in Utah who have fallen through the cracks under this concocted plan by the Republican national leadership, someone who is here to try to make sense out of this for us.

□ 2310

Mr. MATHESON. Mr. Speaker, I thank my colleague from Arkansas for yielding me time and raising this issue tonight. It has indeed been an interesting discussion.

When I was elected to Congress, I thought I was coming back here to get things done, and I think that a lot of people in this country would like to see us make progress on issues. So when I look at issues, I try to approach what I call "what is possible."

There are a lot of points of view around here, not just a Democratic and a Republican point of view. There are a lot of points of view that different people have about what is a perfect piece of legislation, and I do not know if any of us have ever seen a perfect piece of legislation come through. But tonight I suggest again that we ought to think about what is possible.

I supported the \$300 billion tax cut, and, quite frankly, I supported H.R. 1308 as well. But I am also trying to be realistic about what we can do to get some tax relief through for these particular families we have been talking with in that lower income range.

The United States Senate has spoken in a profoundly bipartisan way with a 94 to 2 vote. If we really want to make progress, it may not be perfect for my friend from Arizona, it probably is not perfect for a lot of folks in this body, but if we want to make progress in terms of providing some relief for these folks, this is the opportunity that I think is before us today.

I think as we have had this discussion about what is in the tax bill and what is not in the tax bill and who said what, we have missed the bigger picture, and the bigger picture is this economy is not doing well right now, and the reason why we looked at a tax cut in the first place was because we know we have got to take steps to stimulate this economy.

A lot of people are hurting out there. It has been going on for a long time. This week, we are going to see a bunch of checks mailed out, and it is my sincere hope that those checks are going to have a stimulative effect on this economy and we are going to see economic growth result from that.

I would submit that in the context of those checks going out right now, it only highlights the omission, the omission of this group from \$10,000 to \$26,000 in annual income, this group that was

included, quite frankly, in H.R. 1308, and is actually included, at least after 2005, in the original House bill we passed, and then in conference committee it got taken out.

So whether the Earned Income Tax Credit is part of a benefit to those folks in that income range, I do not dispute that. It is. It is an important program. It is something that has bipartisan support. The question is, do those families deserve some piece of additional relief, as has been handed out to other families in this country? I would suggest that they do.

So, in closing, I just want to suggest again, let us look for the art of the possible. This may not be a perfect tax bill, but let us look at the art of the possible. I saw a 94 to 2 result on the other side of the Hill. That is a pretty good indicator to me, that if the House of Representatives would pass similar legislation that that could go to the President's desk and be signed into law, and these low-income families, these folks who are working families, who work hard every day, would receive some tax benefit as well.

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, let me thank my neighbor from Utah, first of all, for both of his votes on tax relief. That is perhaps the most compelling testimony we have received tonight.

It is a bit curious that we diverge on what is possible. I believe, and perhaps this is a point where those who embrace the Keynesian theory of economics can actually agree with those of us who characterize ourselves as supply-siders, at a time of economic downturn it is important to provide tax relief. Indeed, we have accepted that as an article of faith for those working families eligible for the Earned Income Tax Credit, and, indeed, as I can point out again from the Tax Foundation, with the child tax credit, a \$30,000 head-of-household with two kids is going to get over \$1,000 back under previously existing law. That money is going to go back to help those folks.

Now, listen: I do not believe you gauge the art of what is possible on votes in the other body. I will leave atmospheric to the pundits and the Sunday morning shows. To me, what is possible is what is passed by a bipartisan majority, of which my friend from Utah was a part on two occasions. So, again, it is curious to note this motion to instruct.

Now, my friend from Arkansas offered some selective criticism. If you listen carefully to his critique, he spoke of the original tax bill. Of course, what we have done in H.R. 1308 is to expand and maintain the \$1,000 level; not sunsetting it, but increasing it and taking it across-the-board for the next decade, the upcoming decade, to make sure it is there.

What they offer in their motion to instruct is to go back to \$700 after the 2004 election. He had no critique or

criticism of H.R. 1308, he was just silent on that, as he has been about the Earned Income Tax Credit.

Mr. Speaker, as we review this, the art of what is possible, and good folks can disagree, but I would maintain in this House that the art of what is possible can be achieved and that the greatest number of people can be helped to the greatest extent by this House maintaining its original position, not to accept a motion to instruct that is in fact a retreat from what has already been done in terms of promoting economic growth and allowing all Americans to keep their hard-earned money. That is what we have to deal with.

That is why it is important, and why tomorrow I know my colleagues will join me in voting no on this Democrat motion to instruct. Why take three steps backwards, when we can take a giant leap forward for all American families.

Mr. Speaker, I reserve the balance of my time.

Mr. ROSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I go any further, I would just like to make one point. The gentleman from Arizona likes to point out and thank all these conservative Democrats who have appeared here tonight for their support of various tax cuts over recent years, which demonstrates to me that the conservative Democrats that have appeared tonight on behalf of these working families that are being left out of the child tax credit, it appears to me that these are common sense, bipartisan Members, and it looks like to me it would be something that the gentleman from Arizona would stop and think, well, wait a minute, you know, these are folks that agreed with us, and now they do not. It looks like a light would come on and he would recognize that this is an act of fairness.

Mr. Speaker, I yield 30 seconds to the gentleman from Georgia (Mr. SCOTT), another fellow member of the fiscally conservative Democratic Blue Dog coalition, a new Member, a shining star in the Democratic Party and a voice of reason.

Mr. SCOTT of Georgia. Mr. Speaker, the gentleman is very kind in his introduction. I appreciate that, and I appreciate the time to come to a summary.

Mr. Speaker, I think it is very important, because we probably do have several million of our American citizens watching tonight, it is very important, you argue the point on our motion to instruct. That is not the issue we are here for. The motion to instruct is our only means to press the case.

The issue we are here for is because the House Republican leadership is standing in the way of our getting a child tax credit down to those folks making between \$26,000 a year and \$10,500 a year. That is the issue here.

In the remaining moment I have, I would just make this appeal to some of my Republican friends to help us to-

morrow. We cannot do it unless we get a sizeable number of Republicans to help us. I do believe we have some Republicans who will do that for us.

Mr. HAYWORTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would be remiss if I did not thank my friends on the minority side for offering their points of view, including my friend from Georgia. I guess this is why we come to this great Chamber and debate many differences.

But, rather than impugn motives, I am simply going to say this: Quite to the contrary of what my friends assert, it is the opinion of this majority that the money we are talking about belongs to the American people, wherever they line up on the socio-economic scale. If you pay income taxes, you will receive an income tax reduction, and, if you are eligible for the Earned Income Tax Credit, as I have pointed out time and again tonight, the check has been in the mail for years. That is something my friends have not dealt with tonight, and it is something that, in the spirit of candor and complete discussion, we should not so readily dismiss.

Indeed, I would ask my friends to embrace H.R. 1308 as they embraced the initial tax bill. I thank my friend from Utah for his support of both, and I appreciate the spirit in which the debate has been conducted.

I know my friend from Arkansas has the right to close. I will simply close for the majority side by saying that we need to reject this motion to instruct. We offer a bill that is far more complete for a far greater portion of the American people.

As I have demonstrated time and again tonight, we have provisions under the Earned Income Tax Credit to alleviate the needs of those who pay no income taxes, and, indeed, under our comprehensive plan of tax relief, the numbers of families who pay no income taxes continue to grow exponentially.

□ 2320

If you opt for genuine tax relief, the real article, as some of my friends on the minority side have done on both occasions, I would say reject the motion to instruct. Embrace the House position. We will persuade our friends on the other side of the Capitol and move forward with more meaningful tax relief for Americans.

Mr. Speaker, I yield back the balance of my time.

Mr. ROSS. Mr. Speaker, I yield myself the remaining time.

Let me say that I came to this Congress back in 2001 to try to offer up some commonsense solutions to the problems confronting this Nation. Like many Americans, Mr. Speaker, I am sick and tired of all of the partisan bickering that goes on in our Nation's Capital. It should not be what makes the Democrats look good or bad or what makes the Republicans look good

or bad; it ought to be about doing right and providing a voice for the people of America, including the 6.5 million working families that have been shut out of tax relief.

We are faced with the Nation's largest deficit in our country this year: \$455 billion and growing, a deficit that our kids and grandkids have to pay for, money that is coming from the Social Security trust fund. Yet, the Republican national leadership managed to find a way to cut taxes to the tune of \$300 billion, but they left out 6.5 million working families. They can talk about how these are folks who do not pay taxes all night long; but the reality is, we are talking about men and women in uniform, policemen, firemen, schoolteachers, folks earning up to \$26,625 a year. They have children, and they too deserve the same tax cut as those who earn much more than that.

Mr. Speaker, I ask for support and a "yes" vote on the motion to instruct conferees on this issue.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FRANKS of Arizona). Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Arkansas (Mr. ROSS).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

(Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

(Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. FLETCHER) is recognized for 5 minutes.

(Mr. FLETCHER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

(Mr. FLAKE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Ms. SCHAKOWSKY) is recognized for 5 minutes.

(Ms. SCHAKOWSKY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

(Mr. PENCE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. BEAUPREZ) is recognized for 5 minutes.

(Mr. BEAUPREZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WATSON) is recognized for 5 minutes.

(Ms. WATSON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

(Mr. BURGESS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

(Ms. LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PLATTS) is recognized for 5 minutes.

(Mr. PLATTS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. CASE) is recognized for 5 minutes.

(Mr. CASE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FRANKS) is recognized for 5 minutes.

(Mr. FRANKS of Arizona addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORD (at the request of Ms. PELOSI) for today after 2 p.m. and July 23 on account of an emergency in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROSS) to revise and extend